

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2019-050-10074R

Parcel No. 08.33.430.005

Eugene Knopf,

Appellant,

vs.

Jasper County Board of Review,

Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on December 10, 2019. Eugene Knopf was self-represented. Assistant Jasper County Attorney Kelly Bennett represented the Board of Review.

Rolland Eugene and Debra D. Knopf own a residential property located at 710 S 7th Avenue W, Newton. The property's January 1, 2019, assessment was set at \$266,030. (Ex. B).

Knopf petitioned the Board of Review contending the assessment was not equitable compared with the assessments of other like property and the property was assessed for more than the value authorized by law. Iowa Code § 441.37(1)(a)(1 & 2) (2019). The Board of Review lowered the assessment to \$253,700, allocated as \$56,370 in land value and \$197,330 in dwelling value. (Exs. A & B).

Knopf appealed to PAAB reasserting his claims. § 441.37(1)(a)(1 & 2).

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act

apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code Rule 701–126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. *Id.*; see also *Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a one-story brick home with a finished attic built in 1957. It has 2937 square feet of gross living area, with 750 square feet of rec-room quality basement finish, an enclosed porch, and two concrete patios. It also has an attached two-car garage. It is listed in normal condition with high-quality construction (grade 2-10). The Assessor's Office applied 25% physical depreciation and 20% other obsolescence to the dwelling for the assessment. The site is 0.594 acres and receives a 30% topography obsolescence adjustment. (Ex. A).

Knopf testified he purchased the property in 1992 for \$175,000. He described the neighborhood as West Newton, an area once popular with former Maytag executives and near a now closed country club. To the south and east of the subject property he stated the homes are smaller and are selling in the \$100,000 range. To the north he identified a property that sold in 2017 for \$175,000 after being on the market for an extended time. West of the subject, he identified a property once owned by a Maytag executive, which had been purchased by a school and is not in good shape. In his opinion, this property negatively affects the subject's value. Knopf stated his concrete patios are in need of repair, and his basement has water issues and a large crack in the wall. He believes his house is more like a two-story house because of the mostly

finished attic. According to the property record card, the subject property was last inspected in November 1995. (Ex. A).

Knopf submitted five homes he believes demonstrate his assessment is not equitable. A summary of these properties is shown in the table below. (Exs. 1-5).

Address	Year Built	Quality Grade	Condition	Gross Living Area (GLA)	Basement Finish	2019 Assessed Value
Subject	1957	2-10	normal	2937	750	\$253,700
1 - 703 S 6th Ave W	1910	3-05	observed	2999	0	\$183,100
2 - 719 S 7th Ave W	1949	4+10	below normal	2048	0	\$178,820
3 - 1013 S 6th Ave W	1920	3-05	poor	2850	0	\$199,970
4 - 1109 S 5th Ave W	1949	3-05	above normal	1590	0	\$199,770
5 - 1103 S 12th Ave W	1925	3-10	above normal	1652	500	\$195,120

Comparable 1 is the only somewhat recent sale. It sold in October 2017 for \$175,000. (Ex. 1).

Although these properties may be located close to the subject, the differences in age, grade, condition, and size explain why they have a lower assessed value compared to the subject property. For example, all of the comparables are older than the subject, which would affect the amount of depreciation applied to their assessments. All but Comparable 5 have smaller sites than the subject. Some of the comparables do not have attached garages and the subject's garage is larger than all of the comparables. Additionally, all are lower quality grade than the subject, which would also cause their assessments to be lower than the subject. Comparable 2 is listed in below-normal condition and Comparable 3 is listed in poor condition. (Exs. 2 & 3). Comparables 4 and 5 are nearly half the size of the subject. (Exs. 4 & 5). Comparables 1, 2, and 3 are two-story homes with main level living areas ranging from 820 square feet to 1116 square feet. (Exs. 1-3). In comparison, the subject has just over 2000 square feet of main level living area. Main floor living area tends to have greater costs than second-story living area.

The Board of Review submitted three recent sales that are summarized in the following table. (Exs. D-G).

Comparable Sale	Year Built	Quality Grade	Gross Living Area (SF)	Bsmt Finish (SF)	2019 Assessment (AV)	Sale Date	Sale Price (SP)	Adjusted sale price	AV/SP Ratio
Subject	1957	2-10	2937	750	\$253,700	NA	NA	NA	NA
A - 1004 S 5th Ave W	1955	3+10	2635	1000	\$251,700	10/2018	\$248,000	\$249,994	1.01
B - 800 E 18th St N	1972	3-10	2133	0	\$240,940	9/2018	\$246,000	\$279,293	0.98
C - 1123 S 12th Ave W	1988	3-00	1889	0	\$199,410	7/2019	\$225,000	\$258,760	0.89

Jasper County Assessor Tracy DeJong testified for the Board of Review and described each sale.

Sale A and C are both brick homes like the subject property. (Exs. E & F). Sale B is a two-story home; it has only 1183 square feet of main level finish compared to the subject that has just over 2000 square feet. (Ex. G). We note that Knopf's property has the most gross living area, the largest garage, and the largest lot of any of the properties.

The Board of Review made adjustments to the sale prices of the comparable properties for differences between them and the subject. (Ex. D). All of the sales are lower grade (quality) than the subject; the Board of Review therefore adjusted the sales upward roughly \$53,000 for Sale B and \$66,000 for Sale C. Substantial adjustments were also made for physical depreciation and obsolescence.

DeJong testified Sale A was a "flip" and had been renovated when it sold for \$248,000. It previously sold in May 2017 for \$212,000. (Ex. E). For its 2019 assessment, Sale A was still listed in poor condition. DeJong acknowledged this may be an error as it would have been in poor condition at the time of the 2017 sale and was not re-inspected after the "flip" and its 2018 sale. Despite the property's renovations between 2016 and 2018, its assessed value decreased from 2017 to 2019. (Ex. E, p. 5). Nevertheless, we note its current assessment is very close to its sales price.

Analysis & Conclusions of Law

Knopf contends the subject property is inequitably assessed and over assessed. § 441.37(1)(a)(1 & 2).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Knopf offered no evidence of the Assessor applying an assessment method in a non-uniform manner.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The *Maxwell* test provides that inequity exists when, after considering the actual values (2018 sales) and assessed values (2019) of comparable properties, the subject property is assessed at a higher proportion of its actual value. *Id.* Knopf submitted five properties he believes support his claim, none of which sold in 2018. All of his comparables were significantly older and listed as lower quality construction than his home; therefore, we do not find them to be truly comparable. The Board of Review submitted three sales, two of which sold in 2018. The assessment-to-sales-price ratio of the 2018 sales was 1.01 and 0.98. A ratio higher than 1.00 suggests a property is assessed for more than its market value; a ratio lower than 1.00 suggests a property is assessed for less than its market value. This data indicates the assessed values of these properties are very close to their actual market values.

Although there are sales ratios in the record, the *Maxwell* test also requires a showing of the subject property's actual market value as compared to its current assessment. Knopf's over assessment claim requires the same showing, and we therefore, turn to that claim.

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted). Sale prices of

the subject property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b).

The subject property has not recently sold, nor did Knopf provide any evidence of the property's value through comparable sales adjusted for differences, an appraisal, or a Comparable Market Analysis (CMA), which is typical evidence to support a claim of over assessment.

Conversely, the Board of Review submitted several sales and adjusted them for differences. While we question the comparability of these properties because of the large adjustments for grade, physical depreciation and obsolescence, they are the only adjusted sales in the record. Regardless, the unadjusted sales prices reasonably support the subject property's assessment considering it is superior in site size, gross living area, garage size, and other features.

Viewing the record as a whole, we conclude that Knopf failed to show his property is either inequitably assessed or over assessed.

We note Knopf's testimony indicated issues related to his property's condition that may warrant review. For this reason, it may be in Knopf's interest to contact the Assessor's Office and request an inspection of his property to ensure his improvements are properly listed in future assessments.

Order

PAAB HEREBY AFFIRMS the Jasper County Board of Review's action.

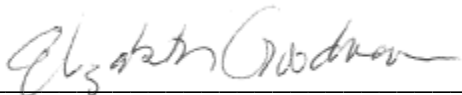
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

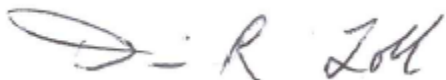
Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.19 (2019).



Karen Oberman, Board Member



Elizabeth Goodman, Board Member



Dennis Loll, Board Member

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Jasper County Board of Review by eFile